

Larry Swanson, director of the Center for the Rocky Mountain, gave an economic summit on Dec. 18, 2008 to the Missoula business community. Swanson specializes in growth and change in the region's economy.

Swanson said Montana and the interior Rocky Mountain West is a good place to be during the recession. He said the troubles precipitated by the housing foreclosures and credit crisis are geographically concentrated in Florida, Michigan, California, Nevada and Arizona and cautioned the audience against projecting the national storyline onto Montana. While we are in an economic slowdown, the impacts will be less deep and long. Swanson pointed to the fact that the construction business peaked over a year later than the rest of the nation and housing values and equity are holding. The unemployment rate dropped from 10 to 2 percent for a decade and a half starting in the early 1990s and now stands at 4.3 percent

Why? Swanson said the economy likes small cities and as a result the interior West has been growing faster than big cities and many other areas in the nation. He said net migration has been driving this population growth and it is focused on "urban centers" such as Kalispell, Missoula, Billings and Great Falls in Montana.

Montana's economy is not growing everywhere, but emanates out from "regional centers with urbanization." The urban centers have grown in population and become diversified business centers with an emphasis on small businesses and entrepreneurship. The fastest growing economic sectors have been construction, health care and professional and technical services. Missoula has one of the largest health care centers for a city of its size.

Swanson believes the growth momentum (the economy favoring small communities) is still there, but people need a 5-year plan for how to get to the other side of the slowdown. There is some potential for Montana housing to be energized by favorable financing.

Swanson briefly discussed demographics. He said we are aging fast and the population growth is in the 65 and older age group. This will challenge our ability to provide workers.